

2014 Report on Cross Border IORP Market Developments

This is the eighth report in a series on Market Developments¹ with regard to cross-border activities, following the implementation by Member States of Directive 2003/41/EC². It provides a brief overview of the occupational pensions landscape in the European Economic Area (EEA), as well as the developments in cross-border arrangements of Institutions for Occupational Retirement Provisions (IORPs).

1. The process adopted

The set-up of this year's report is different than those of previous years. Besides providing information on new cross-border IORPs and withdrawals during the period 2 June 2013 and 1 June 2014, additional data have been added in order to provide a more comprehensive and detailed overview of the European occupational pensions landscape as a whole. Furthermore, EIOPA has added data to the report that enable the reader to better assess the developments of cross-border operations carried out by those entities that are regulated by the IORP Directive. These data include:

- The total number of IORPs and art. 4 insurance undertakings³ in the EEA (*the term "art. 4 insurance undertakings" refers to insurance undertakings that, through ringfencing of assets (and liabilities), operate (part of) their occupational pension business under art. 4 of the IORP Directive*);
- An approximation of the assets held by these entities (these include assets related to cross-border operations and related to 'national' operations);
- An overview of countries that act as home state to **active**⁴ cross-border IORPs;
- The number of authorised IORPs that have finalised the notification procedure to operate cross-border;
- The number of active cross-border IORPs;
- The sort of pension schemes operated by the active cross-border IORPs;
- An overview of the host countries to the active cross-border IORPs;
- An overview of which countries act as home and host countries.

¹ For the previous reports, see <https://eiopa.europa.eu/publications/reports/index.html>.

² Directive 2003/41/EC is on the Activities and Supervision of Institutions for Occupational Retirement Provision

³ According to art. 4 of the Directive 2003/41/EC Member States may choose to apply articles 9 to 16 and 18 to 20 of this Directive to the occupational-retirement-provision business of insurance undertakings

⁴ Active = entities holding assets related to cross-border operations

2. The findings

2.1 IORPs/art. 4 insurance undertakings in the EEA (cross-border and non cross-border)

Respondents to this year's survey have been asked to provide data that would allow the creation of an overview of the IORP/art. 4 insurance undertakings landscape in the European Economic Area (EEA). The goal of this exercise was to give an indication of the total of assets held by entities that fall under the regulation of the IORP Directive in EEA. The results are shown in Table A.

Table A: Overview of IORP/art. 4 insurance undertakings landscape in EEA

	Total nr. of IORPs	Total nr. of art. 4 insurance undertakings	Approximate assets held by all IORPs (in million €) ^{5, 6}	Approximate ringfenced assets held by all art. 4 insurance undertakings (in million €) ^{5, 6}
AT	15	-	16.524	-
BE	199	-	18.538	-
BG	2	-	4.092	-
CY	1.825	-	3.165	-
DE	178	-	178.836	-
DK	25	-	7.500	-
FR	-	4	-	1.147
FI	53	-	4.600	-
HR	17	-	106	-
HU	1	-	0,162	-
IE	62.121	-	85.000	-
IT	310	-	93.767	-
LI	6	-	352	-
LU (CSSF)	14	-	854	-
LV	7	-	236	-
MT	1	-	n/a	-
NL	381	-	1.003.388	-
NO	84	-	28.200	-
PL	5	-	492	-
PT	191	-	14.425	-
SE	85	-	34.578	-
	-	30	-	193.787
SI	3	-	513	-
		3		397
SK	4	-	1.322	-
UK	44.600	-	1.383.013	-
Total	110.127	37	2.879.501	195.331
Aggregated	110.164		3.074.832	

⁵ IORPs and art. 4 insurance undertakings are usually not required to report their assets on one specific date. Therefore in some occasions the aggregated figures might refer to different reporting periods and the assets mentioned in Table A are not an exact reflection of the total of assets held on 1 June 2014. The figures were aggregated and are the most recent data the supervisors have received from IORPs and art. 4 insurance undertakings.

⁶ Countries that are not part of the Euro zone have been asked to calculate the reported assets in Euro. Therefore, currency fluctuations might have occurred.

2.2 Zooming in on cross-border IORPs

In this year's survey respondents were asked to provide data in a different format. To be able to present a more comprehensive and accurate overview respondents were asked to provide EIOPA with data on the total number of IORPs and art. 4 insurance undertakings that are authorised to operate cross-border and went through the notification process. In a following step they were asked to indicate which of these entities are 'active' on the cross-border market, i.e. **hold assets and liabilities relating to their cross border activity**, as of 1 June 2014. Finally, respondents were asked to indicate what sort of schemes the active cross-border entities are operating.

Table B below is drawn from the replies to this year's questionnaire. Compared to last year's report, the table now also identifies how many authorised cross-border IORPs hold assets relating to their cross-border activity. The number of active cross-border IORPs is lower than the number of IORPs that have completed the notification procedure to operate cross-border. One reason for this difference may be that it usually takes some time, even after the notification procedure is finalised, to really start the cross-border activity.

Table B: Authorised IORPs and IORPs that actively operate cross border

	Home country with active cross-border IORPs on 1.6.2014	Authorised cross-border IORPs that have finalised the notification procedure to operate cross-border	Active cross-border IORPs on 1.6.2014	DB, DC or DB/DC (active cross-border IORPs)
AT	Yes	2	1	DC ⁷
BE	Yes	12	11	6 DB, 3 DB/DC, 2 DC
DE	Yes	3	3	DB
IE	Yes	33	25	14 DB, 11 DC
LI	Yes	4	4	<u>IORP 1</u> : DB with guarantee, DB without guarantee, DC ⁸ <u>IORP 2</u> : DB with guarantee <u>IORP 3</u> : DC ⁸ <u>IORP 4</u> : DC
LU (CSSF)	Yes	1	1	2 DB schemes, 1 DC scheme
LU (CAA)		1	1	n/a
NO	No	1	0	-
UK	Yes	29	29	n/a ⁹
Total	7	86	75	

⁷ The definition of what constitutes a DB or DC scheme may differ from Member State to Member State. The Austrian supervisor reports this pension scheme to be a DC scheme, whereas it is regarded a DB scheme by the German supervisor.

⁸ The definition of what constitutes a DB or DC scheme may differ from Member State to Member State. The Liechtenstein supervisor reports this pension scheme to be a DC scheme, whereas it is regarded a DB scheme by the German supervisor.

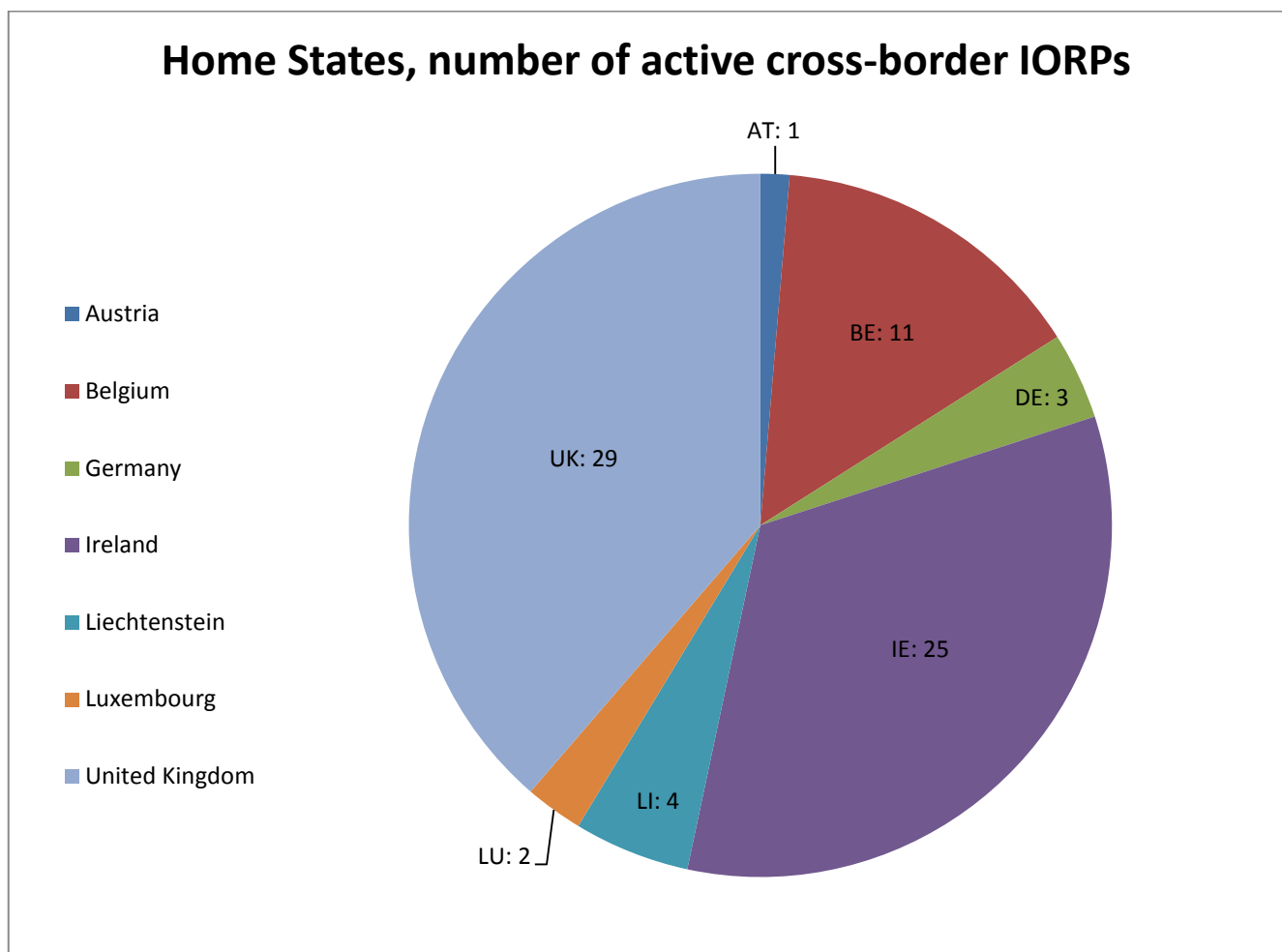
⁹ The UK supervisor, at this moment in time, is not able to provide the breakdown of information requested in this column.

Table B shows there are 86 IORPs that have finalised the notification procedure for operating cross-border as of 1 June 2014 (as compared to 82 IORPs as of 1 June 2013). Of these 86 IORPs, 75 are actively operating cross-border. No art. 4 insurance undertakings have finalised the notification procedure.

A list of reported active cross-border IORPs is shown in **Annex 1** at the end of the report.

2.3 Home activity of Member States – 75 active cross-border IORPs

Since the publication of last year’s market development report, there was a decrease of one (Cyprus) in the number of Member States included in the list of home states. Furthermore, it should be noted that the (only) cross-border IORP reported by Norway (see Table B) is not yet ‘active’. The number of home states to active IORPs therefore is 7 as of 1 June 2014.



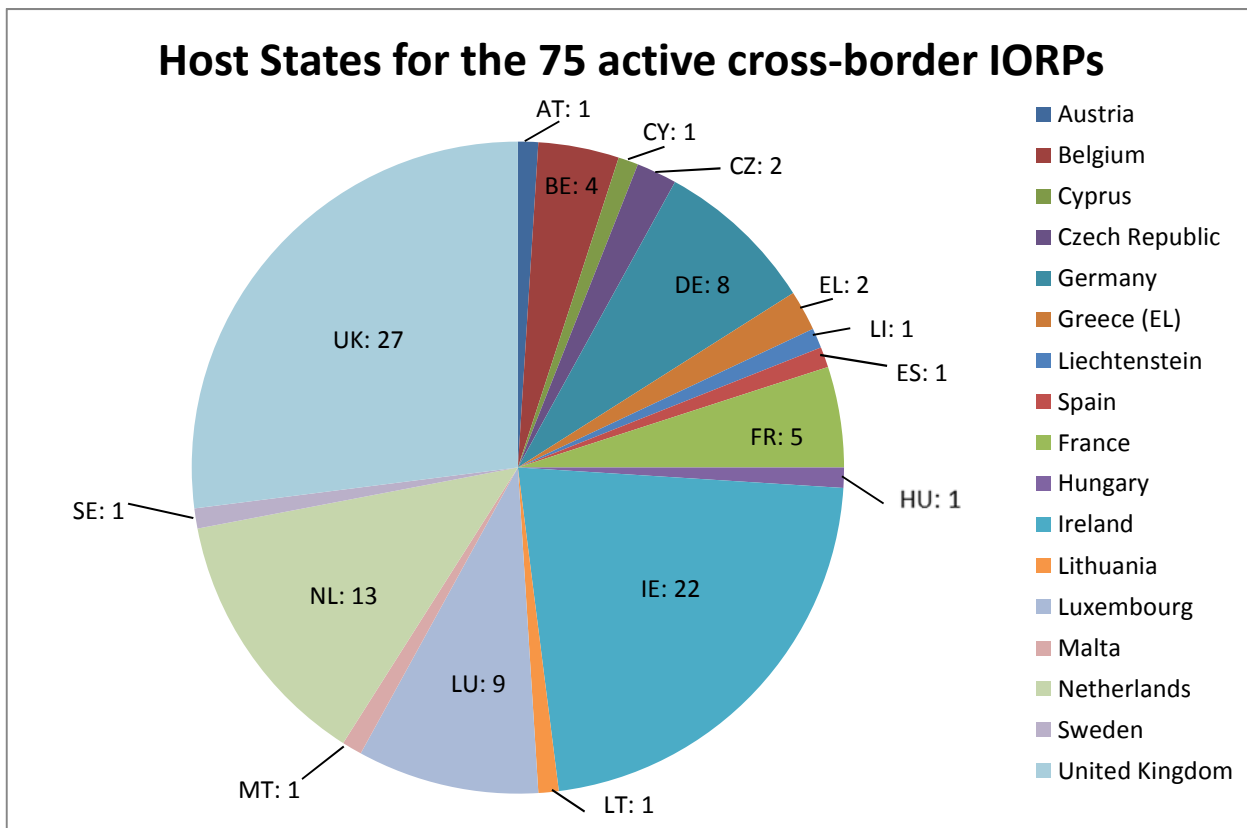
A list of cross-border activities from the various Home States is shown in **Annex 2**.

2.4 Host activity of Member States

In relation to acting as the host state, we see greater levels of diversity compared to home state designation. A majority of EEA states host one or more cross-border IORPs.

The total number of host countries with active cross-border IORPs is 17 as of 1 June 2014.

The chart below should be read as follows: The total number of active cross-border IORPs is 75 (see Table B). Some of these IORPs are active in more than one host country (see Annex 2). The UK acts as host country for 27 active cross-border IORPs, AT for 1 active cross-border IORP, etc..



A table of home and host states appears below in **Annex 3**.

3. Developments in cross-border activity – 2 June 2013 until 1 June 2014

Table C: New cross-border IORPs and withdrawals

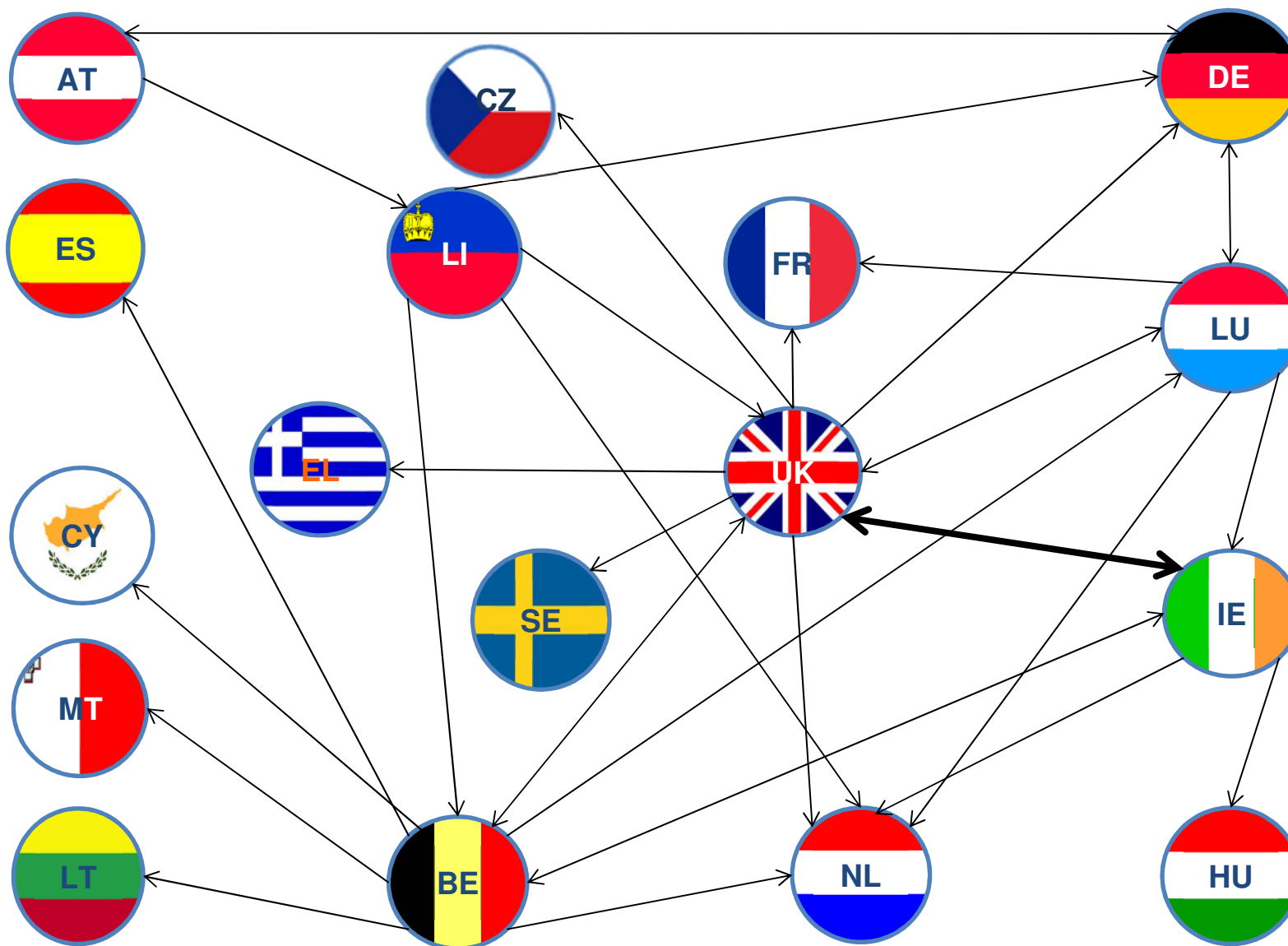
Home Country	Host(s)	Number of new IORPs	Number of withdrawals
Belgium	Netherlands	2	
Cyprus	Greece		1
Ireland	United Kingdom	4	
Luxembourg	N/A		2 ¹⁰
United Kingdom	Greece	1	
	Ireland	1	
	Belgium, France		1
Total		8	4

The table shows that during the period of June 2013 to June 2014, 8 IORPs finalised the notification procedure to operate cross-border, of which some also commenced the actual cross-border operations.

Two IORPs were reported as having ceased cross-border operations and there was a corrected reporting of one IORP operating in several host states (*see footnote 10*).

¹⁰ The withdrawal figure for Luxembourg represents a correction compared to the previous report. One LU IORP is authorised to operate in three host states, but this was formerly reported as 3 separate cases.

The picture below provides an overview of 'home-host relationships' with regard to the 75 'active' IORPs



4. Next steps

This report will be made available to market participants via the EIOPA website. EIOPA intends to continue to seek an understanding of market developments in this area and to continue to improve the information available to market participants.

Annex 1: List of active cross-border IORPs

Presented here is a list of active cross-border IORPs, as at 1 June 2014. Note that this list is not identical for all member states to the list of cross-border IORPs that can be derived from EIOPA's Register of IORPs¹¹. This is due to three reasons: (i) changes that occurred between 31st December 2013 and 1st June 2014, (ii) some of the cross-border IORPs mentioned in the register of IORPs are not active cross-border cases yet, and (iii) the register of IORPs does, for a number of Member States, not contain the cross-border IORPs presented below with less than 100 members. The table below does however include cross-border IORPs with less than 100 members¹².

Country		Name IORP
AT	1	APK PENSIONSKASSE AG
BE	1	CHEVRON ORGANISME VOOR DE FINANCIERING VAN PENSIOENEN, OFP
	2	NESTLE PENSIOENFONDS (NPF), OFP, FONDS DE PENSIONS NESTLE (FPN), OFP
	3	PENSIOENFONDS RICOH, OFP, FONDS DE PENSION RICOH, OFP
	4	J & J PENSION FUND, OFP, J & J PENSION FUND, OFP
	5	PENSIOENFONDS GROEP-STAAAL, OFP, FONDS DE PENSION GROUPACIER, OFP
	6	PFIZER PENSIOENFONDS, OFP, FONDS DE PENSION PFIZER, OFP
	7	PENSION & CO IBP, OFP
	8	BP PENSIOENFONDS, OFP
	9	EUROCLEAR PENSION FUND, OFP
	10	CITCO IBP, INSTELLING VOOR BEDRIJFSPENSIOENVOORZIENING, OFP
	11	ALCON PENSIOENFONDS, OFP
DE	1	BVV VERSICHERUNGSVEREIN DES BANKGEWERBES A.G.
	2	NÜRNBERGER PENSIONSKASSE AKTIENGESELLSCHAFT
	3	R+V PENSIONSVERSICHERUNG A.G.
IE	1	THE CHURCH OF IRELAND CLERGY PENSIONS FUND
	2	THE ALLIANZ GROUP PENSION SCHEME
	3	AIB GROUP IRISH PENSION SCHEME
	4	THE MERCER DC MASTER TRUST
	5	INTEL PAN-EUROPEAN PENSION PLAN
	6	IRISH TIMES LIMITED PENSION AND LIFE ASSURANCE PLANS
	7	THE KPMG STAFF PENSION SCHEME
	8	SIPTU PENSION AND LIFE ASSURANCE PLAN
	9	BANK OF IRELAND AFFILIATED PENSION FUND
	10	DONEGAL CREAMERIES PENSION & DEATH BENEFIT PLAN
	11	IRISH AIRLINES (GENERAL EMPLOYEES) SUPERANNUATION SCHEME
	12	THE BANK OF IRELAND STAFF PENSIONS FUND PNC GLOBAL INVESTMENT SERVICING (EUROPE) LIMITED PENSION SCHEME
	13	THE 1991 CONCERN RETIREMENT BENEFITS SCHEME
	14	2004 SICON LTD GROUP DEFINED CONTRIBUTION PENSION AND

¹¹ <https://eiopa.europa.eu/publications/register-of-iorps/index.html>

¹² For the UK, at this moment in time, the list of UK cross-border IORPs was extracted from EIOPA's Register of IORPs. Therefore only the names of active cross-border IORPs with 100 members or more are listed in Annex 1.

Country		Name IORP
		DEATH BENEFITS SCHEME
IE (continued)	15	IRISH NATIONAL TEACHERS ORGANISATION PENSION SCHEME
	16	AERCAP IRELAND LIMITED EMPLOYEE BENEFIT PLAN
	17	THE SECOND AER LINGUS SUPPLEMENTARY SCHEME
	18	XTRATHERM LIMITED PENSION PLAN
	19	GAELETRIC HOLDINGS PLC PENSION SCHEME
	20	THE AECOM IRELAND DC PLAN
	21	IRISH CONTINENTAL GROUP DEFINED CONTRIBUTION SCHEME
	22	THE KENNEDY WILSON EUROPE LIMITED PENSION SCHEME
	23	IRISH BUSINESS AND EMPLOYERS CONFEDERATION PENSION PLAN
	24	SIX NATIONS RUGBY LIMITED RETIREMENTS BENEFITS SCHEME
	25	SISK HEALTHCARE EUROPEAN PENSION SCHEME
LI	1	LV1871 PENSIONSFONDS AG
	2	ROFENBERG STIFTUNG FÜR PERSONALVORSORGE
	3	SWISS LIFE INTERNATIONAL EMPLOYEE BENEFITS PENSION FUND
	4	AAK ALLGEMEINE AUSGLEICHSKASSE AG
LU (CSSF)	1	THE UNILEVER PENSION PLAN
LU (CAA)	1	SWISS LIFE INTERNATIONAL PENSION FUND
UK¹³ (100 members or more)	1	TSSA STAFF PENSION SCHEME
	2	SEI MASTER TRUST
	3	EXXONMOBIL PENSION PLAN
	4	VF CORPORATION UK PENSION PLAN
	5	RNLI1983 CONTRIBUTORY PENSION SCHEME
	6	THE NORTH OF ENGLAND PROTECTING AND INDEMNITY ASSOCIATION LIMITED RETIREMENT BENEFIT SCHEME
	7	ACCOR UK RETIREMENT BENEFITS PLAN
	8	ROBERT BOSCH LIMITED MONEY PURCHASE PLAN
	9	TNT GROUP PENSION SCHEME
	10	J.P. MORGAN UK PENSION PLAN
	11	THOMSON REUTERS UK RETIREMENT PLAN
	12	TRINITY MIRROR PENSION PLAN
	13	THE HACHETTE UK PENSION PLAN
	14	VODAFONE UK DEFINED CONTRIBUTION PENSION PLAN
	15	THE HSBC INTERNATIONAL MANAGERS DEFINED CONTRIBUTION RETIREMENT BENEFITS SCHEME
	16	RIO TINTO INTERNATIONAL PENSION FUND
	17	THE ASSOCIATED PRESS DEFINED CONTRIBUTION RETIREMENT PLAN
		12 active cross-border IORPs have not been reported by TPR ¹⁴

¹³ The UK is home country to 29 active cross-border IORPs

¹⁴ The Pensions Regulator (UK)

Annex 2: Cross-border activity reported as at 1st June 2014 – 75 active cross-border IORPs

Home State	Nr. of cross-border IORPs that are active at 1.6.2014	Host countries in which IORPs are active at 1.6.2014
AT	1	DE, LI
BE	3	LU
	1	LU, IE
	4	NL
	1	IE
	1	IE, ES
	1	CY, LT, LU, MT, IE, UK
DE	2	LU
	1	AT
IE	22	UK
	1	BE
	1	NL, UK
	1	HU, UK
LI	2	DE
	1	UK, NL
	1	BE, DE, NL
LU (CSSF)	1	NL, IE
LU (CAA)	1	FR, DE, UK
UK	2	DE
	2	EL
	15	IE
	3	NL
	1	FR, LU
	1	BE, IE, CZ
	1	FR, LU, NL, CZ
	1	FR, SE
	1	BE
	1	IE, NL, DE
	1	FR
	Total	75

Annex 3: Home and host States to active IORPs as at 1 June 2014

Country	Home State	Host State
AT	Yes	Yes
BE	Yes	Yes
BG	-	-
CY	-	Yes
CZ	-	Yes
DE	Yes	Yes
DK	-	-
EE	-	-
EL	-	Yes
ES	-	Yes
FI	-	-
FR	-	Yes
HU	-	Yes
IE	Yes	Yes
IT	-	-
LI	Yes	Yes
LT	-	Yes
LU	Yes	Yes
LV	-	-
MT	-	Yes
NL	-	Yes
NO	-	-
PL	-	-
PT	-	-
RO	-	-
SE	-	Yes
SI	-	-
SK	-	-
UK	Yes	Yes